



To conserve the unique character
of Tennessee's natural and historic
landscapes and sites for future
generations .

What is a land trust?



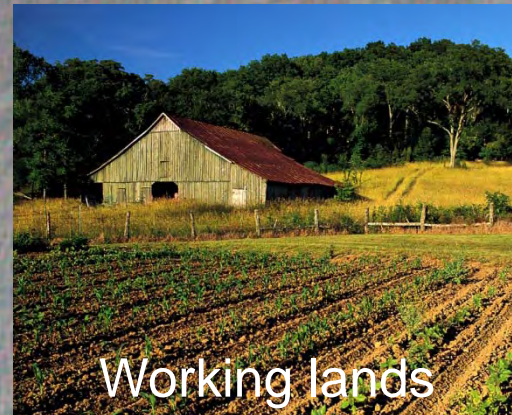
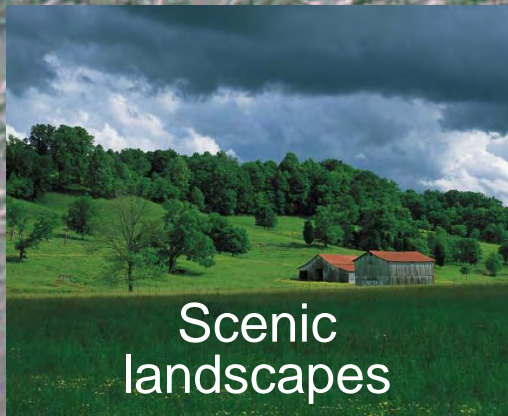
A non-profit organization that assists landowners to protect land.



What is The Land Trust for Tennessee?

- **Established January 1999**
- **501 (c) (3) non-profit**
- **Non-governmental**
 - 32 - member volunteer Board of Directors**
- **11 full-time and 3 part-time employees**
- **Member of the national Land Trust Alliance**

What kind of land is protected?

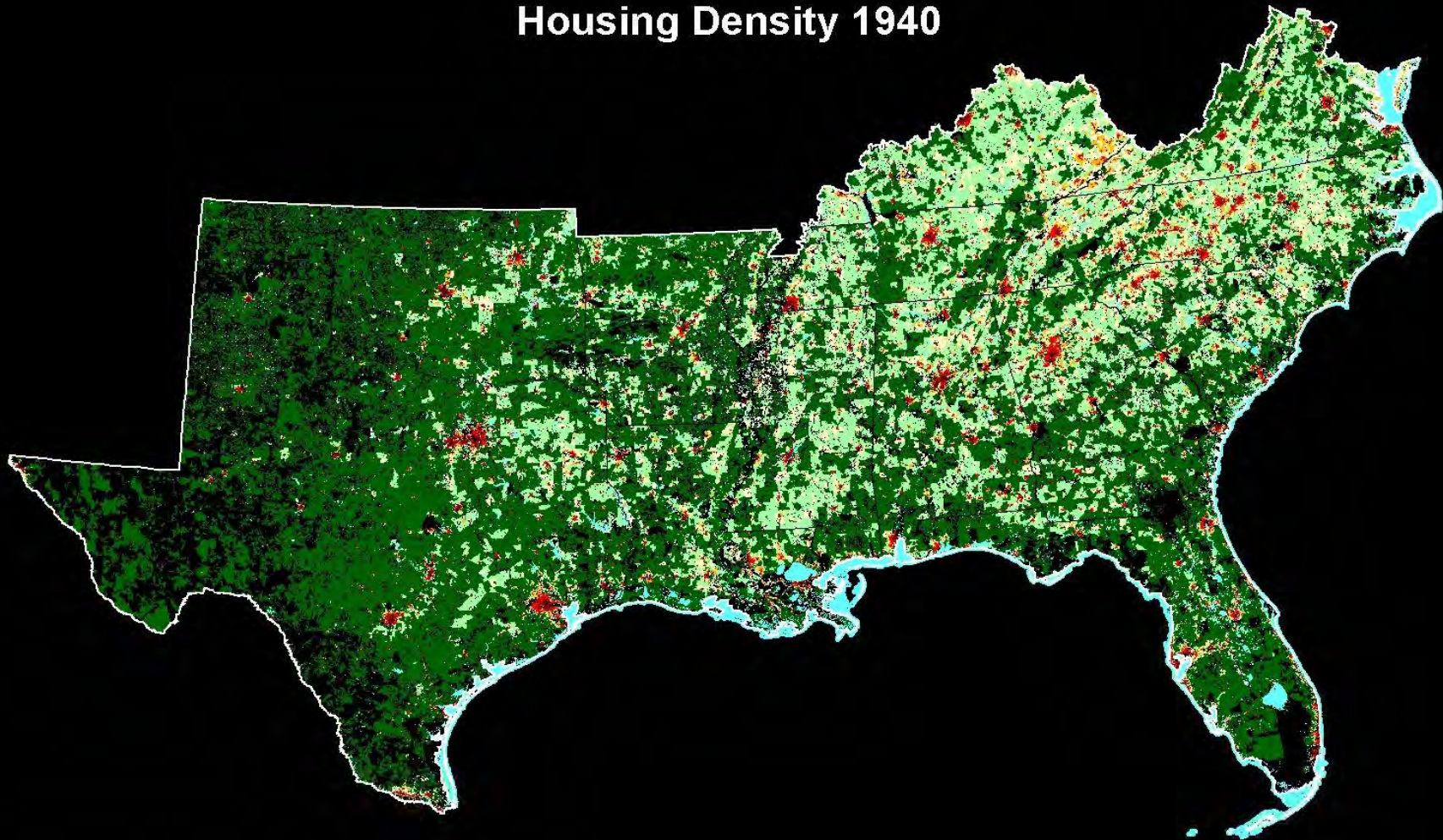


An aerial photograph showing a large, spreading tree with dense green foliage in the upper half of the frame. Below the tree is a vast, flat, light-colored field, possibly a dry lake bed or a salt flat. A white rectangular box with a thin black border is centered horizontally across the middle of the image, containing the text "Why do we need a land trust?".

Why do we need a land trust?

Southern Region

Housing Density 1940



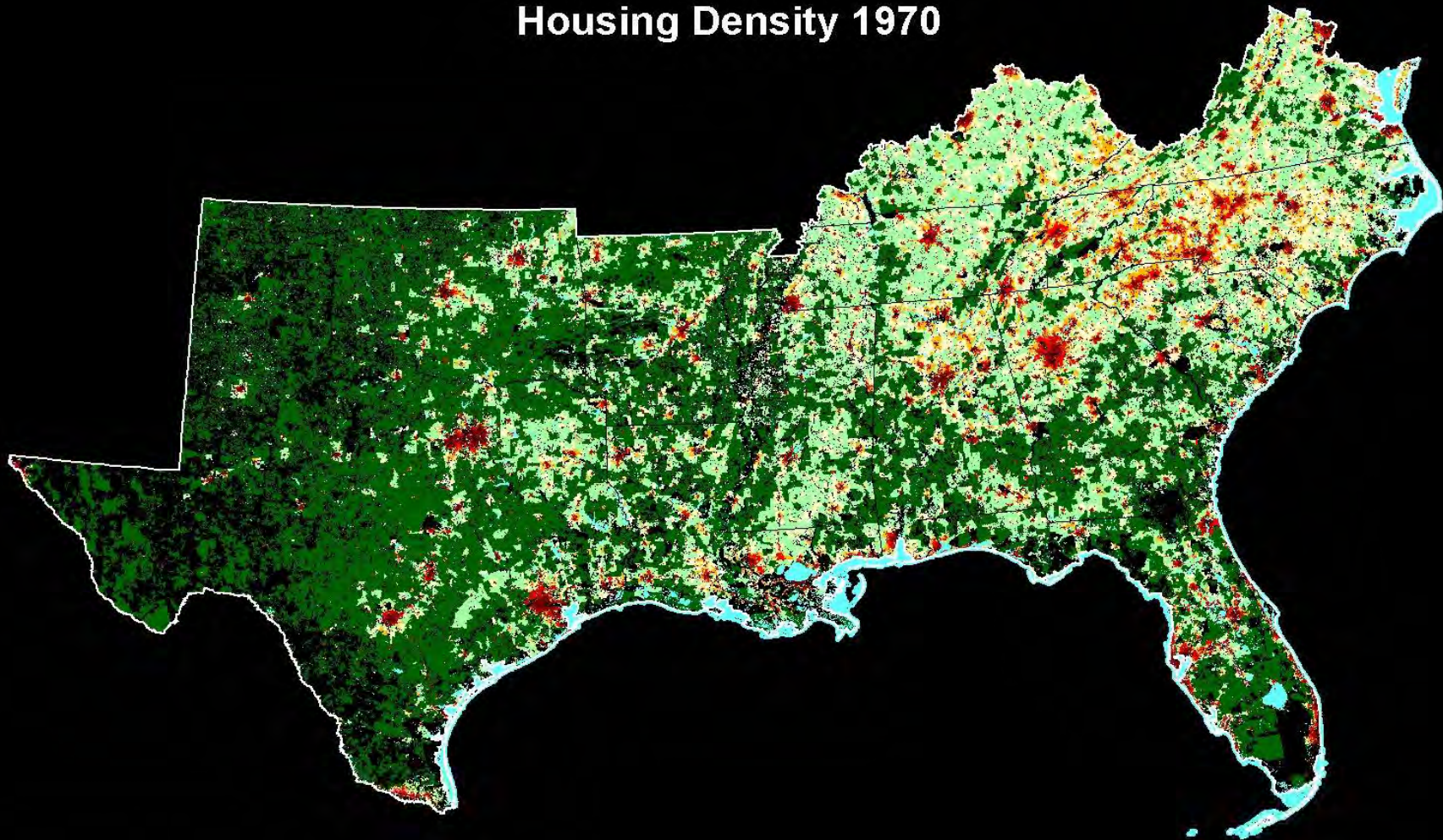
Housing Units per Km²



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University of Wisconsin-Madison

Southern Region

Housing Density 1970



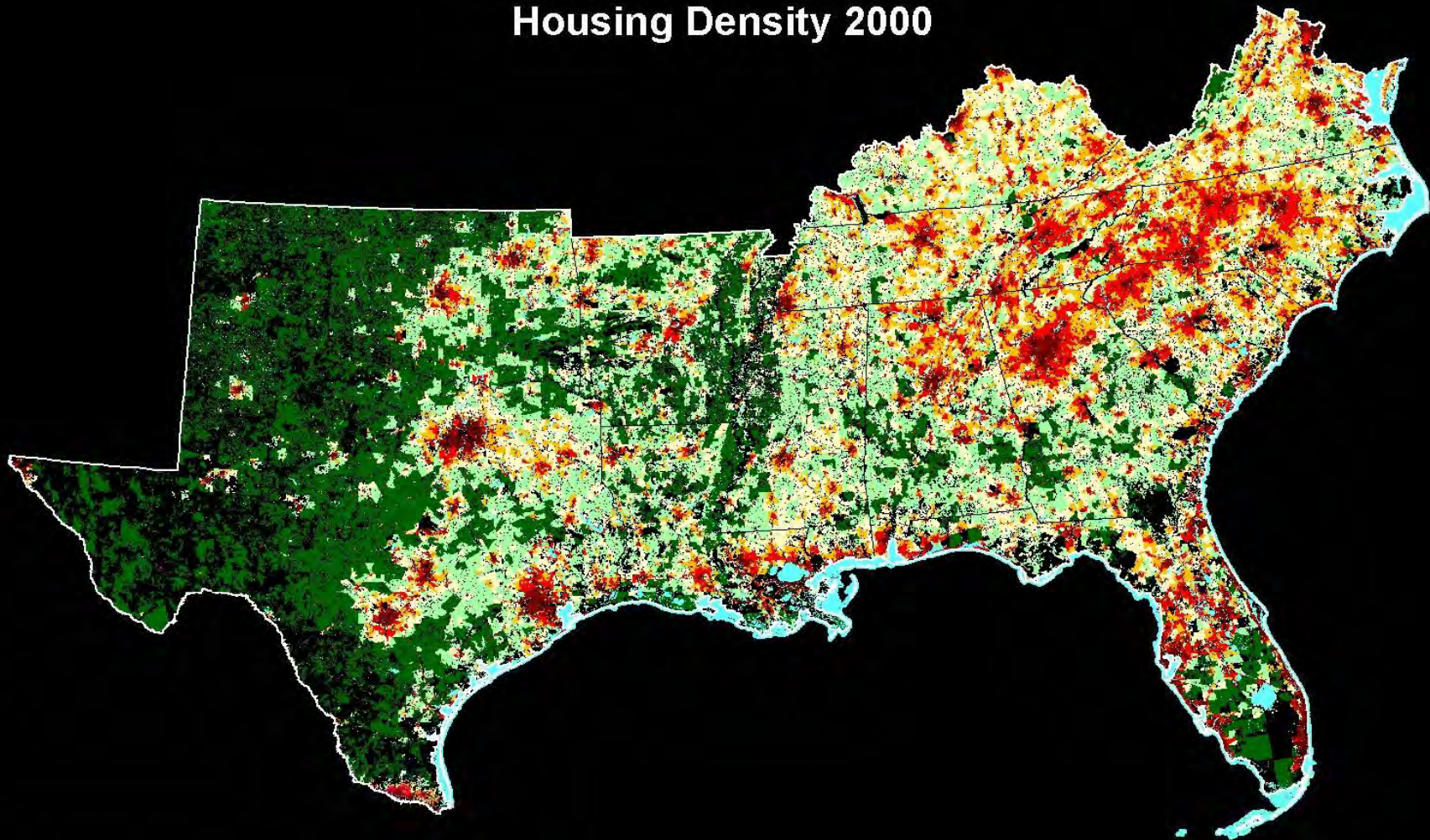
Housing Units per Km²



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Southern Region

Housing Density 2000



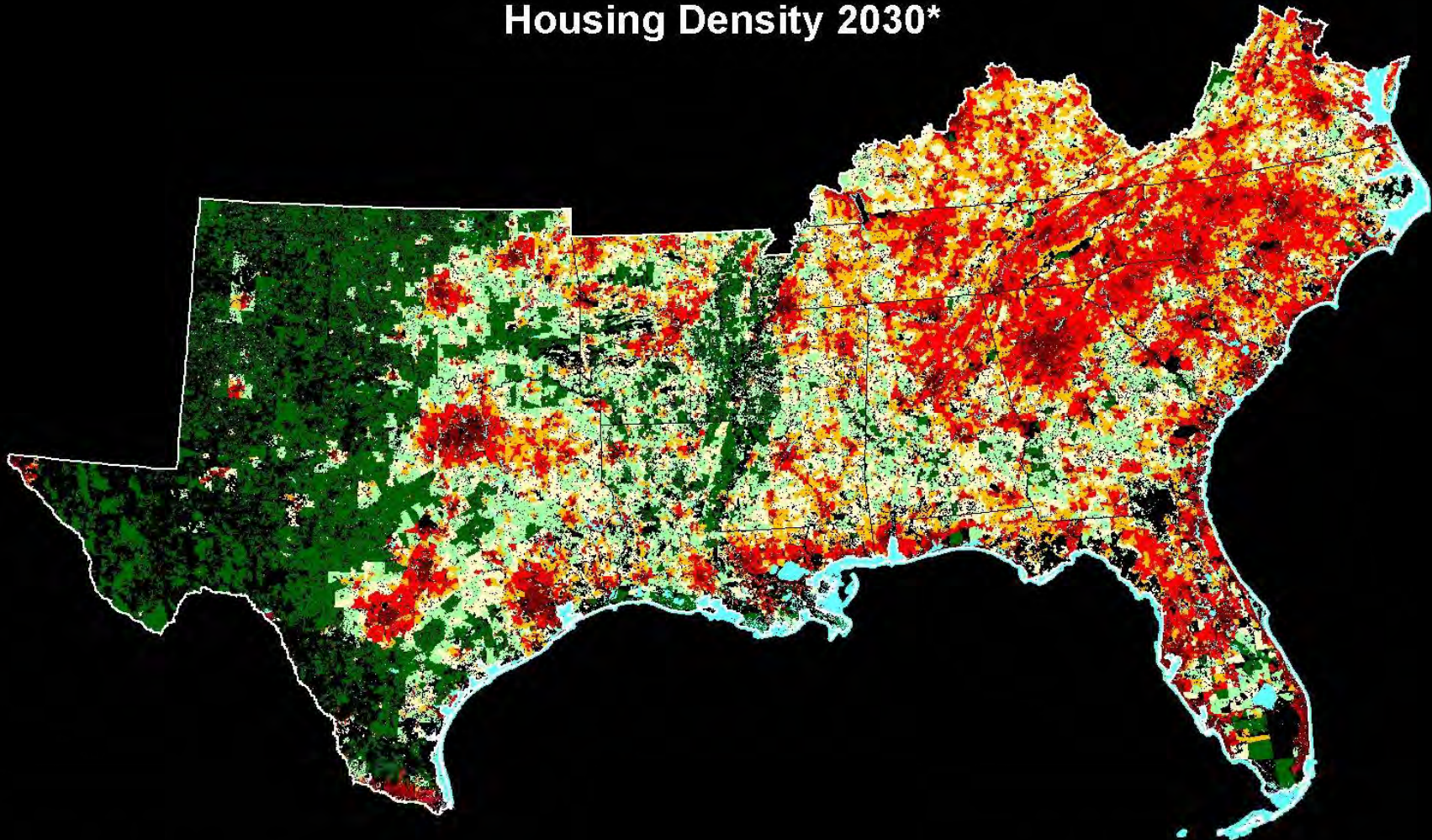
Housing Units per Km²



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Southern Region

Housing Density 2030*



Housing Units per Km²

*Linear projection of 1990s growth



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Losing . . . Prime Farmland

A photograph of a rural landscape. A dirt road leads from the bottom center towards the horizon. On the left side of the road, there is a dark wooden fence. To the right of the road, a large, leafless tree stands prominently. The background shows rolling green hills under a vast sky filled with large, white, fluffy clouds. The lighting suggests it might be late afternoon or early morning, with some clouds catching the light.

Losing . . . Magnificent landscapes



And seeing . . .

An aerial photograph of a forest serves as the background. A large, dark tree trunk is visible in the lower right foreground. The canopy is a mix of green and brown, suggesting some trees are bare. A white rectangular box with a thin black border is positioned in the upper left, containing the title text.

Ways to conserve land

- Historic Preservation Programs**

1. Century Farms Program
2. National Register of Historic Places
3. Historic Districts

- Federal Land Conservation Programs**

1. CRP, EQIP, WHIP, etc...

- State of TN Land Conservation Programs**

1. Greenbelt Law
2. Agricultural Districts
3. Right to Farm Law

- Other Land Conservation Programs**

1. Conservation Easements



What is a conservation easement?

- Just another type of property easement:
 - protects conservation value
 - property remains in the owner's possession
- Legal agreement between landowner & The Land Trust
- A document reflective of the landowner's wishes to limit development

An aerial photograph of a dense forest with green trees and brown trunks. A white rectangular box with a thin black border is positioned in the upper left quadrant, containing the title text. The background image is slightly blurred to make the text stand out.

What are the benefits of a conservation easement?

MAINTAIN OWNERSHIP

Landowner may:

- Live on it
- Keep it private
- Sell it
- Pass to heirs

An aerial photograph of a river with a large tree on the right bank. The river flows from the top left towards the bottom right. The tree is a large, dark green, spreading tree. The water is a light brownish-grey color. The sky is a pale blue-grey. A white rectangular box is superimposed over the upper part of the image, containing the title text. The background image has a subtle grid pattern.

What are the benefits of a conservation easement?

MAINTAIN OWNERSHIP FLEXIBILITY

- Tailored to landowner's needs & desires
- Can be phased in over a period of time
- Totally voluntary

An aerial photograph of a forest serves as the background. A large, dark tree trunk is visible in the lower right quadrant. The canopy is a mix of green and brown, suggesting a mix of tree types or perhaps some autumn foliage. A white rectangular box is superimposed on the upper left portion of the image, containing the main title.

What are the benefits of a conservation easement?

MAINTAIN OWNERSHIP
FLEXIBILITY
TAX RELIEF

- Can significantly lower estate taxes
- May allow heirs to keep the land in the family rather than be forced to sell it
- May provide landowner with income tax benefits

Federal Income Tax Example

Situation:

Farmer Joe owns 200 acres of farmland in Williamson County. Farmer Joe's adjusted gross income is \$50,000/year

Example 1: No conservation easement donation

In 2008, Joe makes \$50,000, does not complete a conservation easement and therefore has no deductions.

Adjusted gross income: \$50,000

Annual Deductions

\$0.00

Taxable Adjusted Gross Income

\$50,000

Annual Federal Income Tax

~\$6,700

Example 2: Conservation Easement Donation for non full-time farmer

In 2008, Joe donates a conservation easement (CE) to the local land trust worth \$800,000.

Adjusted gross income:	\$50,000
Annual Deduction from CE	\$25,000
	(<u>50%</u> of adjusted gross income)
Taxable Adjusted Gross Income	\$25,0000
Annual Federal Income Tax	~\$3000
	(as compared to \$6,700)

Joe would therefore be taxed at this level for a total of 16 years, which is a income tax savings of ~\$59,000.

(Joe uses only \$400,000 of \$800,000 deduction- \$25,000 x 16 yrs)

Example 3: Conservation Easement Donation for full-time farmer
(note: a full-time farmer is one who makes 50% or more of their income from farming)

In 2008, Joe donates a conservation easement (CE) to the local land trust worth \$800,000.

Adjusted gross income:	\$50,000
Annual Deduction from CE	\$50,000
	(<u>100%</u> of adjusted gross income)
Taxable Adjusted Gross Income	\$0.00
Annual Federal Income Tax	\$0.00
	(as compared to \$6,700 with no donation)

Joe would therefore be taxed at this level for a total of 16 years, which is a income tax savings of ~\$107,000.

(Joe uses all of his \$800,000 deduction- \$50,000 x 16 yrs)

Estate Tax Example

Situation:

Farmer Jane dies owning 200 acres of farmland in Williamson County. Her farm is worth \$3,000,000 and she has \$200,000 in savings. She has 2 children and she leaves the farm to them under her will.

Example 1: No conservation easement donation

Total Estate Value in 2008: \$3,200,000

Total Estate Tax that children will have to pay upon inheritance: approximately \$540,000

(imposed at 45% on estate values over \$2 million, so \$1.2 million x 45%)

Example 2: conservation easement donation

Remember....Total Estate Value in 2008: \$3,200,000

Farmer Jane placed a conservation easement on her farm in 2006 and lowered the value of the farm to \$1,000,000.

So total estate is now valued at \$1,200,000 and the children will have to pay no estate tax!

(In 2008, only estates valued over \$2 million and above are subject to estate tax (at 45%) and in 2009, it will be only applicable to estates valued over \$3.5 million and above. In 2010, the estate tax is scheduled to be repealed, but then back up to estates valued over \$1 million in 2011)

2031(c)- additional estate tax savings:

2031 (c) says that if you die owning land subject to a conservation easement, in addition to the reduction in land value because of the easement, the estate can take an additional exclusion of 40% of the already reduced land value (exclusion is capped at \$500,000)

Example:

\$2,000,000 (the farm)

-1,000,000 (the easement)

1,000,000 (the 'after' value)

-400,000 (the 40% exclusion)

\$600,000 (subject to estate tax)

An aerial photograph of a forest serves as the background. A large, dark tree trunk is prominent in the lower right foreground. The canopy of the forest is visible in shades of green and brown. A white rectangular box with a thin border is positioned in the upper left quadrant, containing the main title.

What are the benefits of a conservation easement?

MAINTAIN OWNERSHIP

TAX RELIEF

FLEXIBILITY

PERMANENCE & CONTINUITY

Landowner's wishes remain in force forever

- Monitored by The Land Trust in perpetuity
 - even if land changes hands


An aerial photograph of a wide, calm river. On the left bank, a large, leafy tree stands prominently. The water reflects the sky and the surrounding landscape. A white rectangular box with a thin black border is centered over the river, containing the text.

**What types of land does
The Land Trust protect?**

A photograph of a man with white hair, wearing a light blue shirt and a dark cap, driving a green John Deere tractor through a field of tall grass. The tractor has large rear tires and smaller front tires. In the background, there are rolling green hills, a dense line of trees, and a small white house with a red roof on a hill in the distance. The lighting suggests it might be late afternoon or early morning.

Cedar Lane Farm
Williamson County
230 acres

**Working Farms &
Forests**



Dixona Farm
Smith County
148 acres

Historic Resources



**Wildlife
Habitats**

Lost Cove
Franklin County
3,000 acres



Sweet Easy Farm
Maury County
220 acres

Scenic Views & Open Spaces



Water Resources

Nunnelly Farm
Hickman County
995 acres

Holland Farm
Carroll County 200
acres





Ozburn Hollow Farm
Williamson County
480 acres



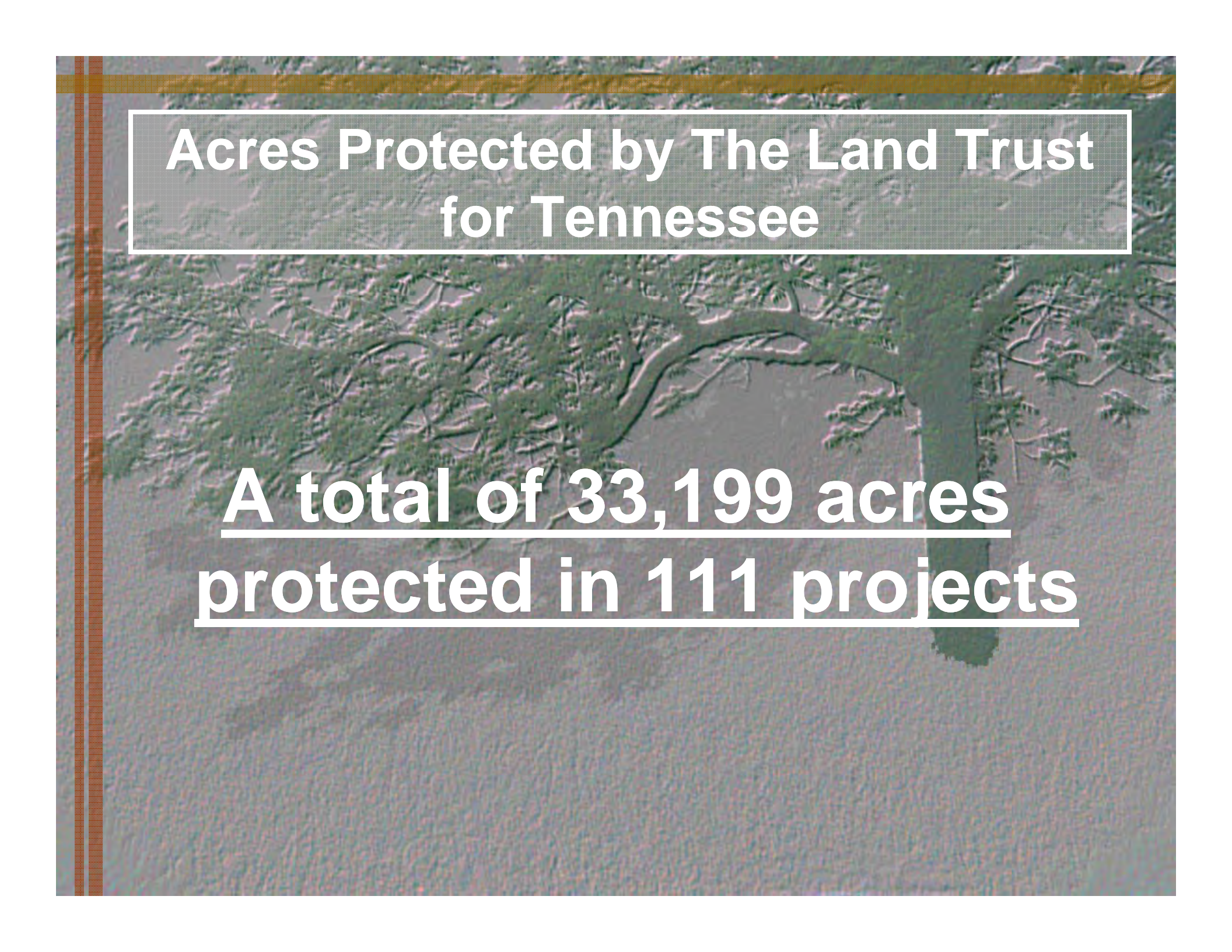
Windy Acres Farm
Robertson County
233 acres



Hunter's Hill Farm
Davidson County
146 acres



Bag End Farm
Williamson County
263 acres

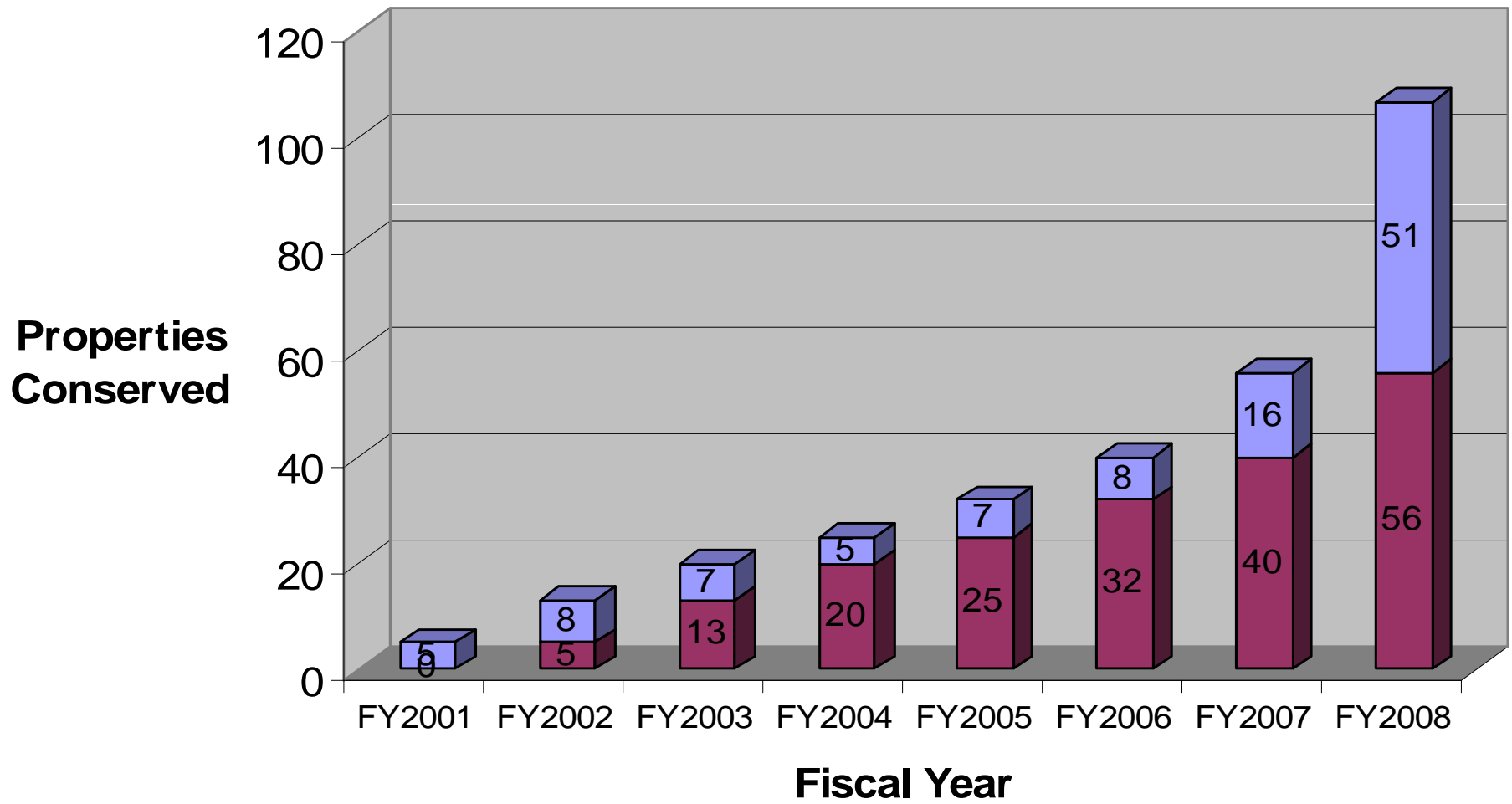
An aerial photograph of a large, mature tree with a thick trunk and dense green foliage, situated on a small island or peninsula in a body of water. The water is a calm, greyish-blue. The tree's reflection is visible in the water below. The overall scene is serene and natural.

Acres Protected by The Land Trust for Tennessee

A total of 33,199 acres
protected in 111 projects

The Land Trust for Tennessee

- Properties Protected in Current Fiscal Year
- Properties Protected in Previous Years (Cumulative)





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